

**MINUTES OF THE DIRECTORS' MEETING OF THE  
STATE OF NEW YORK MORTGAGE AGENCY**

**HELD ON THURSDAY, FEBRUARY 16, 2023, AT 9:15 A.M.  
641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

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**DIRECTORS AND DESIGNEES**

Kenneth Adams	Chairman
RuthAnne Visnauskas	Commissioner, the New York State Division of Housing and Community Renewal
Wallace Ford II	Director, representing the Temporary President of the Senate
Bethaida Gonzalez	Director (via video conferencing)
David E. Kapell	Director, representing the Office of the State Comptroller
EJ Freeman	Director, representing the Speaker of the Assembly
Jesse Olczak	New York State Division of the Budget, representing the Acting Budget Director (via video conferencing)

Chairman Adams presided over the meeting. Ms. Diana Villarnovo Lopez, Senior Vice President and Counsel to HCR, formally opened the meetings and acted as secretary.

Ms. Lopez noted that Mr. Jesse Olczak, representing the Director of the New York State Division of the Budget, and Eric Mostert, representing the Commissioner of Taxation and Finance are participating via video conference from the Capitol Building, Room 131, in Albany; and that Bethaida Gonzalez is participating via video conference from the Syracuse Regional Office, 620 Erie Boulevard, Suite 312.

A public notice was given of the time and location of the venues in accordance with the New York State Open Meetings Law.

Ms. Lopez asked for motions and seconds to call to order the February 16, 2023 meetings of the New York State Housing Finance Agency (HFA), the New York State Affordable Housing Corporation (AHC), and the State of New York Mortgage Agency (SONYMA).

Ms. Lopez asked for a motion to call the meeting of the SONYMA Board to order, Mr. Freeman motioned to call the SONYMA Board to order and Mr. Kapell seconded the motion.

Ms. Lopez noted that these motions and seconds would be used, unless specific items called for a different vote, or unless any Committee Member wished to record his or her vote differently.

Ms. Visnauskas made her President's Report.

She noted that it has been a busy few since the last Board meeting, with major events such as the Governor revealing her Executive Budget proposal along with additional details on the housing compact. As a result, she and many on her staff have been on what has seemed to be a whirlwind tour of the State, meeting with elected officials, doing media interviews, round tables, and meeting with stakeholders to explain the plan and its components, with a focus around statewide growth targets, and regulatory and tax incentive initiatives. Our role has been to fill in the details and provide further explanations, to flesh out the very complex questions which cannot be covered in a speech or a formal announcement. She added that we are laser focused, making sure that people understand the Governor's ambitious housing plan and that we are getting input and feedback, because we want to make sure we understand where people have concerns and what are the ways that we can address those to make the Governor's plan something that can move forward. Ms. Visnauskas added that she agrees with the Governor that doing nothing is not an option, and that the housing crisis is too severe to not have it addressed. She added that additional events are planned next week in Long Island, in Westchester the week after and in Buffalo and Albany. She added that in March she will be doing her Budget testimony before the Legislature which is always challenging as well as interesting. She closed her presentation by noting that at today's meetings we would be seeking approval for several major housing developments across the state, including Queen's, Brooklyn, Buffalo, Rochester, and Hempstead. She also mentioned that the agenda including further work on our mission statements, discussed at our last meetings, to underscore the kind of things that we are tasked with as an agency to do and why you see what you see coming to the various Boards every month. With that, she ended her presentation.

Chairman Adams stated that he looked forward to getting a report from Ms. Visnauskas on her Budget testimony although he pointed out that the testimony would be televised and could be viewed by the public, board members and staff.

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**The first item on the agenda was the adoption of the minutes of the SONYMA Board meeting held on January 26, 2023.** There being no objections or corrections from the Directors, the minutes were deemed approved.

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**Chairman Adams noted that the next item on the agenda was a Resolution of the SONYMA Board approving 100% mortgage insurance on a \$18,570,000 HFA permanent first mortgage loan for Clarkson Estates, Brooklyn, Kings County.**

Mr. Friedman presented the project.

Chairman Adams noted the past history and excellent work of CAMBA Housing Ventures, the borrower on this project. Mr. Kapell noted the sizable impact that inflation was having on this, as well as on the other projects before the Board at this meeting. Ms. Behrens agreed that the increase in rates has had an impact, but she added that there were also increases in construction and labor costs which have created a challenging situation. She noted that CAMBA increased their equity contribution and sought out additional financing to bridge the gap created by the increased costs.

Mr. Kapell asked if Google Map features could be used in the future in the board memos to give the Board members a clearer sense of the location and look of the projects. Mr. Kapell asked about the high project costs, and Ms. Behrens answered by providing detail on the parking component of the project which is unusual in Agency projects. She noted the location of the project in a section of Brooklyn that is highly populated and which has high car usage, thus requiring substantial expenses involved in creating the parking component of the project. Chairman Adams provided further detail as to the character of the neighborhood, addressing the need for parking.

Ms. Lopez moved for adoption of the resolution transmitted in connection therewith. Considering the first and second previously entered for the SONYMA Board, Ms. Lopez asked all SONYMA Directors voting to approve to signify by saying aye. The motion was carried, and the resolution adopted.

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**Chairman Adams noted that the next item on the agenda was a Resolution of the SONYMA Board approving 100% mortgage insurance on a \$11,800,000 HFA permanent first mortgage loan for Estella Housing, Hempstead, Nassau County.**

Mr. Friedman presented the project.

Mr. Freeman confirmed that 50% of the project was for four-bedroom apartments. He then noted that this was not part of the original plan for this project, and provided additional detail as to the prior history of the project as it developed in Long Island. The original plan was to be for veteran services, and then another portion for families and other individuals living in the area. Ms. Behrens noted that she was unfamiliar with the history of the project before it came to the Agency for financing. Mr. Freeman provided some of the history, noting that one of the reasons it took six years for it to come to fruition was because the Mayor at the time did not want to provide the tax incentives due the impact that would have had on an already existing deficit. Originally, fifty percent of the project was to be set aside for veterans. Ms. Behrens noted that it appears that over time the project maintained some of the veteran preference. Chairman Adams noted that it must have been something that was negotiated with the Town in order to get the PILOT agreement. Chairman Adams added that the Agency does not get involved in the negotiations between the developers and the Town or County in this case over the PILOT agreements. This all happens before the project comes to the Agency for financing. He noted that in some cases, such as this one, the project that is before the Agency for financing is very different, for various reasons, including those involving local politics, than what the project was at the beginning. The State role is thus limited.

Mr. Freeman agreed with the points but added that the change from the original set aside for veterans ended up being a very large change and it behooves the Agency to know why that number changed so drastically. Mr. Freeman then asked about the income bands the project was serving.

Mr. Kapell noted that if this project was analyzed using the fair housing tool that former Board member Gross used it would get a low score because of its outsized impact. The suggestion of the tool would be to move it to the village of Garden City. Chairman Adams noted the comment but added that we also should keep in mind that this is just one part of a larger plan that involves rezoning and revitalization, so that while we are providing housing for lower incomes, it is also part of a larger plan of balanced development.

Ms. Lopez moved for adoption of the resolution transmitted in connection therewith. Considering the first and second previously entered for the SONYMA Board, Ms. Lopez asked all SONYMA Directors voting to approve to signify by saying aye. The motion was carried, and the resolution adopted.

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**Chairman Adams noted that the next item on the agenda was a resolution of the SONYMA Board approving 100% mortgage insurance on a \$33,320,000 HFA permanent first mortgage loan for Sutphin Senior Housing in Jamaica, Queens County.**

Mr. Friedman presented the project.

Ms. McKeown asked about the high insurance costs. Ms. Behrens confirmed that insurance costs have risen dramatically in recent months and that many projects were having trouble finding ways to pay for those increases. Mr. McIntyre reiterated prior concerns he has raised about the apparent disconnect between the costs for these projects and the sizable diligence carried out by various government organization which should in fact make the projects easier to insure and bring the premiums down. The topic of finding a vehicle, such as a captive insurance company, to self-insure affordable housing projects was discussed and Mr. McIntyre provided some background on what states like Florida were trying to do.

Ms. Lopez moved for adoption of the resolution transmitted in connection therewith. Considering the first and second previously entered for the SONYMA Board, Ms. Lopez asked all SONYMA Directors voting to approve to signify by saying aye. The motion was carried, and the resolution adopted.

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**Chairman Adams noted that the next item on the agenda was being deferred.**

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**Chairman Adams noted that the next item on the agenda was a resolution concerning**

**the review and approval of the Mission Statements of the Agencies.**

Ms. Lopez noted that this item had been discussed at the Governance Committee meetings held immediately prior to the January Board meetings. She noted that staff had proposed certain changes to the HFA/AHC Mission Statement designed to incorporate some new objectives found in the new State Housing Plan. During the Committee discussions, Committee members approved the proposed changes, but offered some additional proposals for staff consideration. These comments concerned adding specific references dealing with Green initiatives, climate bonds, new construction initiatives, expanding diversity within the development community, and diversity in contracting. After a discussion, the Governance Committee adopted resolutions recommending no changes to the Mission Statement to be filed with PARIS before the end of the month and requesting that staff add text to the draft Mission Statements now before the Committees to incorporate the comments from the Committees, so that the HFA/AHC Mission Statement could be reviewed anew at the next Board meeting. She proceeded to summarize the changes incorporated into the current draft now before the Board and thanked Mr. McIntyre for assisting staff in attempting to capture the Boards' comments. She opened the floor for discussion.

A discussion ensued.

Professor Ford noted that the document discusses geographic diversity and raised the issue again about including mention of racial diversity. He stated that the overall mission of New York state government, which he would hope would be true for the City of New York as well, is to address racial diversity concerns. He stated that he was not quite sure where that would be included in the Mission Statements, but he added that in his view it should be so noted. Population diversity, in his mind, was as important as geographic diversity.

Ms. Lopez noted that the concept could be included in the Means to Achieve Mission section of the SONYMA and the HFA Mission Statements where the text states that the Agencies should "implement policies and target our resources to address these imbalances while providing safe and affordable homeownership opportunities". There's a little opening right there. Chairman Adams pointed to the same section and focused on the sentence that states that the Agencies should "leverage our positions to create an expand meaningful economic opportunity for minority and women-owned businesses.

Professor Ford stated that the sentence referenced by Chairman Adams was targeted to procurement activity, and he is concerned with a broader concept. Chairman Adams recommend that staff be given the opportunity to rework the text to include the concept of racial diversity and bring the Mission Statements back to the Boards for a final review. The recommendation was to include both geographic and racial diversity.

Mr. Kapell suggested that social and ethnic diversity also be considered, including gay and transgender communities. Professor Ford reiterated that given the history of the nation it was primarily racial discrimination that he was concerned with. His concern was that if other social issues are included, the tendency will be for racial diversity concerns to be diluted.

Ms. McKeown stated that the idea of renewable initiatives should be included, because so

many of the concerns in that area have to with what gets built and how. With that, the discussion ended, and the item was reserved for a future meeting.

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**Chairman Adams stated that the next two (2) items are Information Items. There will be no discussion of these items unless Board Members/Directors so request. The items are:**

**The review of the Current Agency Procurements in the Lobbying Restricted Period.**

**The review of the Mortgage Insurance Committee Activity Report for the month of January.**

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There being no unfinished business, Ms. Lopez asked for a motion to adjourn the SONYMA Board meeting. Considering the first and second motions previously entered, the motions were carried, and the meeting was adjourned.

Ms. Lopez informed the Members that the next SONYMA Board meeting is scheduled for Thursday, March 9, 2023, at 9:00 a.m.

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Diana Villarnovo Lopez, Secretary